

State of Alaska FY2008 Governor's Operating Budget

Department of Natural Resources Oil & Gas Lease Monitoring and Engineering Integrity Coordinator's Office Component Budget Summary

Component: Oil & Gas Lease Monitoring and Engineering Integrity Coordinator's Office

Contribution to Department's Mission

The Lease Monitoring and Engineering Integrity Coordinator's Office contributes to this mission by improving both the development and conservation of resources through coordination of oil and gas permitting and oversight activities among all state and federal agencies with oil and gas related authority and responsibility.

Core Services

- A. Review the quality assurance programs of unit/lease operators; prioritize areas of risk for corrective attention; identify gaps or weaknesses in the programs; exercise oversight of quality assurance actions and activities.
- B. Coordinate permitting actions and oversight activities between state and federal agencies with oil and gas related responsibility.
- C. Ensure there are no regulatory gaps or duplicative efforts in the regulation and oversight of oil and gas related infrastructure and activity.

FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$4,482,900	Personnel:	
	Full time	10
	Part time	0
	Total	10

Key Component Challenges

Key Component Challenges include establishment of the operating and work processes for all participating state and federal agencies, to share information and maximize efficient regulation and oversight functions.

Significant Changes in Results to be Delivered in FY2008

This is a new component created by Administrative Order 229.

Major Component Accomplishments in 2006

The LMEICO was initiated by AO 229 on October 6, 2006.

Tasks to be accomplished during FY07 include:

1. hiring of core staff;
2. perform a regulatory gap analysis to ensure oversight of all oil and gas infrastructure and activities on state leases while avoiding duplication of effort;
3. establish permit coordination processes;
4. perform a risk assessment of the quality assurance program for the Prudhoe Bay Unit.

Statutory and Regulatory Authority

AS 38.05.020

AS 38.05.180 (a)(1)(A)
AS 38.05.180 (a)(2)(A)(ii)
AS 38.05.850

Additional Authorities: Agreements with companies including standard oil and gas leases, unit plans of development, and plans of operations.

Contact Information
<p>Contact: Kevin Banks, Acting Director Phone: (907) 269-8800 Fax: (907) 269-8938 E-mail: kevin_banks@dnr.state.ak.us</p>

**Oil & Gas Lease Monitoring and Engineering Integrity Coordinator's Office
Component Financial Summary**

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	1,211.5
72000 Travel	0.0	0.0	79.7
73000 Services	0.0	0.0	3,053.9
74000 Commodities	0.0	0.0	111.0
75000 Capital Outlay	0.0	0.0	26.8
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	0.0	0.0	4,482.9
Funding Sources:			
1004 General Fund Receipts	0.0	0.0	4,482.9
Funding Totals	0.0	0.0	4,482.9

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	0.0	0.0	0.0	0.0
Proposed budget increases:				
-Lease Monitoring and Engineering Integrity	1,475.1	0.0	0.0	1,475.1
-Other Agency/Division Participation in Lease Monitoring and Engineering Integrity	3,007.8	0.0	0.0	3,007.8
FY2008 Governor	4,482.9	0.0	0.0	4,482.9

**Oil & Gas Lease Monitoring and Engineering Integrity Coordinator's Office
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
Full-time	0	10	Annual Salaries	715,075
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	521,195
			<i>Less 2.00% Vacancy Factor</i>	<i>(24,770)</i>
			Lump Sum Premium Pay	0
Totals	0	10	Total Personal Services	1,211,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	0	0	1
Administrative Clerk III	1	0	0	0	1
Natural Resource Spec II	1	0	0	0	1
Natural Resource Spec III	1	0	0	0	1
Natural Resource Spec IV	1	0	0	0	1
Natural Resource Tech II	1	0	0	0	1
Petroleum Facil Integ/Comp Mgr	1	0	0	0	1
Petroleum Facil Integrity Eng	2	0	0	0	2
Petroleum Facil Integrity Spec	1	0	0	0	1
Totals	10	0	0	0	10